

# Advancing Renewable Energy



California has the most ambitious renewable goals in the nation. The RPS program requires electric corporations to increase procurement from eligible renewable energy resources by at least 1% of their retail sales annually, until they reach 20% by 2010.

California Governor Arnold Schwarzenegger has set sights even higher, recommending a future renewable energy target of 33 percent by 2020.

The California Public Utilities Commission (CPUC) plays a key role in the implementation of the Renewable Portfolio Standard with the California Energy Commmison.

The CPUC is responsible for:

Determining annual renewable energy targets and enforcing compliance.



Reviewing and approving each utility's renewable energy procurement plan.

Establishing the standard terms and conditions for contracts used for the Renewable Portfolio Standard (RPS) and reviewing those contracts.

Calculating market price referents (MPRs) for non-renewable energy that serve as benchmarks for the price of renewable energy.

## Renewable Energy in California

**2002:** Senate Bill 1078 established the California Renewable Portfolio Standard (RPS) which required utilities to increase renewable generation with a goal of 20% by 2017.

**2003:** California's key energy agencies adopted an **Energy Action Plan** to ensure adequate, affordable, technologically advanced and environmentally-sound energy generation in California

**2005:** Senate Bill 107 advanced the Renewable Portfolio Standard date. Utilities are now required to achieve 20% renewable generation by 2010.

**2006:** Executive Order S-06-06 established targets to increase the production and use of bioenergy. Assembly Bill 1969 requires electrical corporations to purchase renewable energy output from public water and wastewater facilities up to 1 MW at a CPUC set price.

To meet the goals of the California RPS, utilities must procure renewable energy from eligible facilities. A generation facility must use one or more of the following renewable resources or fuels to qualify:

- Biomass
- Biodiesel
- Digester gas
- Fuel cells using renewable fuels
- Geothermal
- Landfill gas
- Municipal solid waste
- Ocean wave, ocean thermal, and tidal current
- Photovoltaic
- Small hydroelectric (30 megawatts or less)
- Solar thermal
- Wind (over)

California creates the largest single market of all the states for new renewable energy growth. The California RPS will result in 6,750 megawatts of new renewable power and reduce carbon dioxide emissions alone by 18.7 million metric tons. This level of emission reductions is equivalent to taking 2.8 million cars off the road.



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## Utilities are making progress towards California's ambitious 20% by 2010 goal

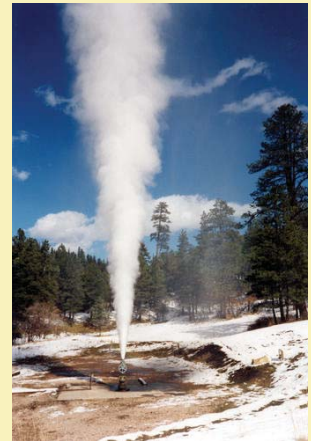
Pursuant to Renewable Portfolio Standard (RPS) legislation, the CPUC uses actual delivery of the renewable energy, not contracted capacity, as the metric to determine RPS compliance. Each investor-owned utility (IOU) has short-listed bids and contracts pending approval at the CPUC that represent a significant potential increase in RPS generation from the 13.2% of their retail electricity sales collectively served in 2006.

Access to transmission is a major barrier in the development of RPS projects. The CPUC is collaborating with other agencies and stakeholders on a proposal that would reform interconnection procedures and potentially expedite the development of thousands of MW of renewable capacity.

In addition, the CPUC is a coordinating committee member for the **Renewable Energy Transmission Initiative** – a statewide initiative to help identify the transmission projects needed to accommodate renewable energy goals, support future energy policy, facilitate transmission corridor designation, and facilitate the siting and permitting of both transmission and generation.

## The RPS Advances the Development of New Renewable Energy in California

A stated goal of California's RPS legislation is to spur the development of new renewable energy generation in California. As of January 2008, sixteen renewable energy contracts totalling 2,282 MW were under review at the Commission. All but one contract – the renewal of a 50 MW wind contract – represent new renewable capacity.



**Wind and geothermal are  
expected to remain  
the dominant  
providers  
through  
2013**

As prime geothermal and wind resources are developed, **solar energy is poised to grow at an accelerated rate** between 2010 and 2013. Solar's on-peak energy production and relatively consistent capacity make it a valuable resource. Increased developer activity and technological advancements are expected to drive down costs and further boost solar energy generation.

For more information,  
visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov)

